



Nebraska Application for Direct Payment Authorization

FORM
20DP

- See information on back
- Submit application with \$10.00 application fee

PLEASE DO NOT WRITE IN THIS SPACE

1 Your Nebraska Sales or Use Tax ID Number

2 Federal Employer I.D. or Social Security Number

3 County of Business Location in Nebraska

NAME AND LOCATION ADDRESS

Name Doing Business As (dba)

Legal Name

Street Address - Do Not Use P.O. Box

City

State

Zip Code

NAME AND MAILING ADDRESS

Name

Street or Other Mailing Address

City

State

Zip Code

4 Accounting Period (Type of Tax Year)

(1) ☐ Calendar – January 1 to December 31

(2) ☐ Fiscal – 12 Month Ending

(3) ☐ Fiscal – 52 or 53 Week Ending

5 Location of Books and Records

(1) ☐ Same as Location Address

(2) ☐ Same as Mailing Address

(3) ☐ Other Address (Indicate below)

Address

City

State

Zip Code

6 Enter the estimated amount of your company's **annual** Nebraska taxable purchases of property and services, excluding purchases for which a resale certificate could be used.

\$ _____

7 Provide a general description of your business operations:

a. Business type: ☐ Retailer ☐ Lessor ☐ Wholesaler ☐ Manufacturer ☐ Contractor ☐ Farmer ☐ Other

b. If you sell a product or provide a service in Nebraska, describe the product or service:

8 Person to contact for information about your accounting system.

Name

Title

E-Mail

()
Phone Number

Under penalties of law, I declare that I have examined this application, and to the best of my knowledge and belief, it is correct and complete. If the application is approved, I agree to accrue and pay to the State Tax Commissioner on or before the 25th day of the month following the date of purchase, lease, or rental, all sales and use taxes on purchases of taxable personal property and services. I agree, as the holder of a direct payment permit, not to use it for cash purchases or for purchases of motor vehicles, motorboats, lodging and related services, food and beverages, admissions, and items purchased for resale.

sign
here

Signature of Owner(s), Partner, Member, Corporate Officer, or
Person Authorized by Attached Power of Attorney

Title

()

Telephone Number

Date

WHO MAY FILE. Any company that has annual purchases in Nebraska of at least three million dollars of taxable personal property and services, excluding purchases for which a resale certificate could be used, may apply for direct payment authorization. The application fee is \$10.00 and is not refundable.

If this application is approved, you will be issued a Direct Payment Permit. The effective date will be printed on the Permit. For additional information, refer to Sales and Use Tax Regulation 1-097 on the back.

Mail application and \$10.00 fee to: **NEBRASKA DEPARTMENT OF REVENUE, P.O. BOX 98903, LINCOLN, NE 68509-8903**

Check our Web site: www.revenue.ne.gov or call toll free 1-800-742-7474 (in NE and IA) or 1-402-471-5729.

Reg-1-097 Direct Payment Permit

097.01 Companies issued a direct payment permit are authorized to pay the proper Nebraska and local option tax on certain purchases directly to the Nebraska Department of Revenue in lieu of paying the sales tax to the seller.

097.02 Application for a direct payment permit can be made by completing a Nebraska Application for Direct Payment Authorization, Form 20DP, and paying the nonrefundable \$10.00 application fee. Upon approval of the application, a direct payment permit will be issued.

097.03 In order to qualify for a direct payment permit, the application must meet the following conditions:

097.03A The company must have annual taxable purchases in Nebraska of personal property and services totaling at least three million dollars in order to qualify for a direct payment permit. Taxable purchases excludes those purchases for which a resale certificate could be used.

097.03B The company must demonstrate that its system of accruing tax on purchases is adequate for accruing tax on all taxable purchases.

097.03C The company must agree to accrue and pay all sales and use taxes to the Nebraska Department of Revenue on or before the 25th day of the month following the date of purchase, lease, or rental.

097.03D The holder of a direct payment permit is not entitled to any collection fee on those taxes due on taxable purchases purchased under the direct payment permit.

097.03E The holder of a direct payment permit cannot use the permit in connection with the following transactions:

097.03E(1) Cash purchases;

097.03E(2) Purchases of motor vehicles and motorboats;

097.03E(3) Purchases of lodging and related services;

097.03E(4) Purchases of food or beverages;

097.03E(5) Purchases of admissions; and

097.03E(6) Purchases for resale.

097.03F The company accepts responsibility for use by any other company to which the direct payment permit has been delegated.

097.04 The holder of a direct payment permit must furnish a copy of the direct payment permit to each seller from whom the holder purchased taxable personal property and services on which an exemption is claimed.

097.04A The holder of a direct payment permit must furnish a copy of the direct payment permit to each seller at least once every three years.

097.04B The holder of a direct payment permit must keep a current list of all sellers from whom purchases are made under the direct payment permit, and, upon request of the Tax Commissioner, must submit such list for examination.

097.04C If the permit is revoked or relinquished, the holder of the permit must notify all sellers given copies of the permit that the permit is no longer valid.

097.05 The receipt of a direct payment permit from the purchaser relieves the seller from the obligation to collect tax on taxable sales. A copy of the direct payment permit must be maintained in the records of the seller.

097.05A The holder of a direct payment permit may use the permit to make tax-free purchases of computer software delivered electronically, digital goods, or services that will be concurrently available for use in more than one jurisdiction. Tax will be remitted based on the requirements of Reg-1-104. A certificate of exemption for multiple points of use will not be required for such purchases.

097.05B The holder of a direct payment permit may also use the permit to make tax-free purchases of direct mail as defined in Reg-1-105. Tax will be remitted based on the requirements of Reg-1-105. A certificate of exemption for direct mail will not be required for such purchases.

097.06 The tax that is remitted by a company issued a direct payment permit is a sales tax. The company issued a direct payment permit cannot claim an exemption under Reg-1-02.04E on items purchased from any Nebraska licensed seller or from any seller engaged in business in Nebraska.

097.06A Items purchased under the special permission letter of exemption for certain common carriers as provided in Reg-1-105 and delivered in Nebraska are not subject to sales and use tax when shipped outside Nebraska even through the same company has been granted the authority to operate under the provisions of the direct payment permit program for sales and use tax purposes.

097.07 The direct payment permit can be delegated to another company in which the holder of the permit has at least an 80% ownership.

097.08 The Tax Commissioner may revoke a direct payment permit any time the holder of the permit no longer qualifies for the issuance of a permit, fails to comply with the conditions under which the permit was granted, or for any other reason constituting the misuse of the permit.

(Sections 77-2705, 77-2705.01, 77-2705.02, and 77-2705.03, R.R.S. 2003, and sections 77-2703(1)(f) and 77-2703.02, R.S.Supp., 2004. April 12, 2005.)